INFORMATION LETTER

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Set-asides have been reduced by the U. S. Department of Agriculture on all canned fish except coho salmon varieties and canned fish flakes. The new reservations, which went into effect August 14, are contained in the story and full text of WFO 44 appearing on pages 8734-35.

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No revision of Order M-81, the tin conservation regulation, is contemplated until a survey of tin supplies can be made, WPB has advised the Association.

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Carryover stocks of canned fruits and vegetables have reached the lowest point in any recent year, the Department of Commerce has reported. (See page 8738.)

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Owing to the V-J holidays, further delay was encountered in the progress of the pricing regulation for 1945 canned fruits and vegetables. As the INFORMATION LETTER went to press, Secretary Anderson had not yet signed the new regulation, but was expected to do so shortly and return the order to OPA early next week.

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Rationing was removed by OPA from all canned fruits and vegetables, gasoline, fuel oil, and oil stoves the day following the Japanese surrender, but the controls were kept on meats, fats and oils, butter, shoes, and tires until civilian supplies equal demand. For story see page 8736.

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OPA has announced that the new pricing regulation for the 1945 pack of canned fruits, berries, and vegetables will contain a provision that greatly simplifies the procedure for canners applying for individual ceiling price increases. (See page 8738.)

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Charles Carry has been named Acting Head of the OPA's Processed Fruits and Vegetables Section, succeeding Col. George V. Rountree, whose resignation is reported in an earlier story appearing on page 8738.

Planning Committee Meeting

Japan's acceptance of the peace terms ushered in a program of government revision of the numerous wartime regulations that now control and direct the canning industry. At the same time the various agencies were drafting announcements of imminent changes and new postwar policies, members of the Planning Committee of the National Canners Association were on the scene in Washington to express their views on the problems arising from the close of the war and the shift to peacetime production, and to render such assistance and guidance to the Government as might be possible in drafting the postwar program.

The special meeting of the Committee, called last week by Chairman Herbert F. Krimendahl, went into session Saturday morning at Association headquarters and was scheduled to continue through Saturday, Sunday and Monday. The working agenda includes consideration of the set-aside amendments affecting canned foods, the purchase and resale of surpluses, subsidies, the pricing program, sugar, fats and oils rationing; the tin supply, and the lifting of various legislative controls, all of which were outlined in the Chairman's absence by Secretary Carlos Campbell in his opening statement.

Reorganization of the Department of Agriculture, along "commodity lines," which was forecast in the INFORMATION LETTER for August 4, had important bearing on the program for the meeting, as an effort was made to obtain, insofar as possible, the official in the reorganized set-up who will be specifically assigned to each of the various programs under discussion.

At the Saturday luncheon, Under Secretary J. B. Hutson was scheduled to outline USDA reorganization and announce the changes of personnel and policy entailed. Following his address, E. A. Meyer, Chief of the Fruit and Vegetable Branch, was booked to lead the discussion of the purchase and resale of surplus canned foods. The administration of the 1945 subsidy program and future subsidy policies was assigned to Clifford P. Sievertson of the Procurement and Price Support Branch, and Leonard S. Fenn, Chief of the Vegetable Marketing Division.

The Sunday sessions were to be given over to the pricing program, with Charles Carry of the Processed Fruits and Vegetables Section of the Office of Price Administration, explaining to the Committee members the changes made by the new price order which revises Supplement 7 and contains *(See Planning Committee, page 8737)*

RESERVATIONS REDUCED ON MAJOR CANNED FISH

Cuts Affect All Types Except Certain Varieties of Salmon and Some Canned Fish Flakes

The Government has reduced set aside percentages of the 1945 pack of several major types of canned fish.

Amendment No. 12 to WFO 44, effective August 14, reduces from 80 per cent to 60 per cent the set-aside on packs of king, chinook, or spring salmon; on blueback or sockeye salmon produced in the Continental United States, and on pink and chum salmon. Set-asides of pilchards, Atlantic sea herring (including Maine sardines) and Atlantic and Pacific mackerel are reduced from 80 to 65 per cent.

The amendment also specifies that salmon canners must continue to set aside 80 per cent of their 1945 pack of coho silver or medium red, steelhead, and Alaska red salmon. Canners of fish flakes produced from cod and haddock are required to continue delivery of their entire pack to the U. S. Navy.

Reduced percentages apply to the entire 1945 pack produced during the period April 1, 1945, to March 31, 1946. The estimated total pack of all grades is 5,200,000 cases for Alaska and 400,000 cases for the Continental United States, according to the U. S. Department of Agriculture.

Secretary Clinton P. Anderson stated that this set-aside will result in a civilian supply of about 281 million pounds of canned fish out of this estimated pack in comparison to a previous preliminary allocation of 192 million pounds. The increase for the civilian market amounts to 89 million pounds. The amount made available to Lend-lease has been reduced since other sources of supply are now available, and the estimated requirements for military use have been revised, he stated. Text of Amendment No. 12 to WFO 44 follows:

War Food Order 44, as amended (10 F.R. 3277, 5713, 7963, 9383), is further amended to read as follows:

§ 1465.20 *Restrictions relative to the 1945 pack of canned fish*—(a) *Definitions.* (1) "Canner" means any person who is the first owner of canned fish.

(2) "Can" means (i) to pack fish in the Continental United States or in the Territory of Alaska for commercial purposes in hermetically sealed metal or glass containers, and (ii) to sterilize the fish packed in such containers by the use of heat.

(3) "Person" means any individual, partnership, association, business trust, corporation, or any organized group of persons, whether incorporated or not.

(4) "1945 pack" means the total net weight of canned fish of each class designated in (b) (1) hereof, for the period indicated therein.

(5) "Director" means the Director of Marketing Services, United States Department of Agriculture.

(6) "Governmental agency" means the United States Department of Agriculture (including, but not being limited to, any corporate agency thereof), and any other agency or instrumentality of the United States designated by the Director.

(b) *Restrictions on canners.* (1) No canner may sell or deliver any canned fish of his 1945 pack except as permitted by the provisions of this order. Unless otherwise specified in the respective class designation, the fish subject to the provisions of this order are, by classes, designated as follows:

Class 1. Salmon: King, chinook, or spring (Oncorhynchus tschawytscha); Red, sockeye, or blueback (Oncorhynchus nerka) packed in the Continental United States. (For the period April 1, 1945, to March 31, 1946, inclusive.)

Class 2. Salmon: Alaska red or sockeye (Oncorhynchus nerka) packed in the Territory of Alaska. (For the period April 1, 1945, to March 31, 1946, inclusive.)

Class 3. Salmon: Silver, silverside, medium red, or coho (Oncorhynchus kisutch); Steelhead (salmo irideus, salmo clarki, salmo gairdneri). (For the period April 1, 1945, to March 31, 1946, inclusive.)

Class 4. Salmon: Pink (Oncorhynchus gorbuscha). (For the period April 1, 1945, to March 31, 1946, inclusive.)

Class 5. Salmon: Chum or keta (Oncorhynchus keta). (For the period April 1, 1945, to March 31, 1946, inclusive.)

Class 6. Pilchard (Sardinia caerulea) by whatever name known, including, but not being limited to, sardines. (For the period April 1, 1945, to March 31, 1946, inclusive.)

Class 7. Atlantic sea herring (Clupea harengus) by whatever name known, including, but not being limited to, sardines. (For the period April 1, 1945, to March 31, 1946, inclusive.)

Class 8. Atlantic mackerel (Scomber scombrus). (For the period April 1, 1945, to March 31, 1946, inclusive.)

Class 9. Pacific mackerel (pneumatophorus japonicus diego) and Pacific horse mackerel (trachurus symmetricus). (For the period April 1, 1945, to March 31, 1946, inclusive.)

Class 10. Cod (Gadus callarias) or haddock (Melanogrammus aeglefinus), when processed and canned as the commercial product commonly known and sold under the name of fish flakes. (For the period May 20, 1945, to March 31, 1946, inclusive.)

Class 11. Tuna: Albacore, or white-heat (Germo alalunga); Yellowfin, or light-meat (Neothunnus macropterus); Skip jack, or striped (Katsuwonus pelamis, sometimes called Euthynnus pelamis); Bluefin, or leaping (Thunnus thynnus, sometimes called Thunnus saliens);

Yellowtail: (Seriola dorsalis);

Bonito (Sarda chiliensis).

(For the period July 1, 1945, to March 31, 1946, inclusive.)

(2) Sixty per cent, by net weight, of each canner's 1945 pack of class numbered 1 (designated in (b) (1) hereof) is hereby established as each such canner's quota of the 1945 pack of such class for sale or delivery to governmental agencies.

(3) Eighty per cent, by net weight, of each canner's 1945 pack of each class numbered 2 and 3 (designated in (b) (1) hereof) is hereby established as each such canner's respective quotas of the 1945 pack of such classes for sale or delivery to governmental agencies.

(4) Sixty per cent, by net weight, of each canner's 1945 pack of each class numbered 4 and 5 (designated in (b) (1) hereof) is hereby established as each such canner's respective quotas of the 1945 pack of such classes for sale or delivery to governmental agencies.

(5) Sixty-five per cent, by net weight, of each canner's 1945 pack of each class numbered 6 to 9, inclusive (designated in (b) (1) hereof), is hereby established as each such canner's respective quotas of the 1945 pack of such classes for sale or delivery to governmental agencies.

(6) One hundred per cent, by net weight, of each canner's 1945 pack of class numbered 10 (designated in (b) (1) hereof) is hereby established as each such canner's quota of the 1945 pack of such class for sale or delivery to governmental agencies.

(7) No canner may sell or deliver, in the aggregate, to governmental agencies, a total quantity, by net weight, of his 1945 pack of the fish of any class (designated in (b) (1) hereof) in excess of a quantity of canned fish equal to the applicable quota percentage of his 1945 pack of such class plus 60,000 pounds, by net weight, of the canned fish of the 1945 pack of such class.

(8) For each 60 pounds of canned fish of the 1945 pack of class numbered 1 (designated in (b) (1) hereof) which a canner has sold or delivered to any governmental agency or with respect to which he has submitted to any governmental agency a written tender of delivery of such canned fish in compliance with a written contract between such canner and such governmental agency, such canner may sell or deliver 40 pounds of canned fish of the same class to persons other than a governmental agency: *Provided*, That, prior to the time of each such written tender, such canner has obtained, with respect to the canned fish included in such written tender, an inspection certificate, issued by an inspection service approved by the governmental agency to which the tender has been made, indicating that such canned fish meets all the specifications set forth in such canner's aforesaid written contract for such canned fish.

(9) For each 80 pounds of canned fish of the 1945 pack of classes numbered 2 and 3 (designated in (b) (1) hereof) which a canner has sold or delivered to any governmental agency or with respect to which he has submitted to any governmental agency a written tender of delivery of such canned fish in compliance with a written contract between such canner and such govern-

mental agency, such canner may sell or deliver 20 pounds of canned fish of the same class to persons other than a governmental agency: *Provided*, That, prior to the time of each such written tender, such canner has obtained, with respect to the canned fish included in such written tender, an inspection certificate, issued by an inspection service approved by the governmental agency to which the tender has been made, indicating that such canned fish meets all the specifications set forth in such canner's aforesaid written contract for such canned fish.

(10) For each 60 pounds of canned fish of the 1945 pack of classes numbered 4 and 5 (designated in (b) (1) hereof) which a canner has sold or delivered to any governmental agency or with respect to which he has submitted to any governmental agency a written tender of delivery of such canned fish in compliance with a written contract between such canner and such governmental agency, such canner may sell or deliver 40 pounds of canned fish of the same class to persons other than a governmental agency: *Provided*, That, prior to the time of each such written tender, such canner has obtained, with respect to the canned fish included in such written tender, an inspection certificate, issued by an inspection service approved by the governmental agency to which the tender has been made, indicating that such canned fish meets all the specifications set forth in such canner's aforesaid written contract for such canned fish.

(11) For each 65 pounds of canned fish of the 1945 pack of any class numbered 6 to 9, inclusive (designated in (b) (1) hereof) which a canner has sold or delivered to any governmental agency or with respect to which he has submitted to any governmental agency a written tender of delivery of such canned fish in compliance with a written contract between such canner and such governmental agency, such canner may sell or deliver 35 pounds of canned fish of the same class to persons other than a governmental agency: *Provided*, That, prior to the time of each such written tender, such canner has obtained, with respect to the canned fish included in such written tender, an inspection certificate, issued by an inspection service approved by the governmental agency to which the tender has been made, indicating that such canned fish meets all the specifications set forth in such canner's aforesaid written contract for such canned fish.

(12) If any canner's 1945 pack of canned fish of any class (designated in (b) (1) hereof) is less than 12,000 pounds, such canner may consider such canned fish as a part of his 1945 pack of canned fish of any other class (designated in (b) (1) hereof).

(13) Unless otherwise authorized by the Director, no canner may use, in the production of his 1945 pack of class numbered 11 (designated in (b) (1) hereof) a quantity of vegetable oil in excess of the following applicable quantity per case of 48 cans of the size stated:

TUNA—YELLOWTAIL—BONITO

(a) Solid pack

No. ½ tuna can (307 x 113), 4.1 pounds
No. 1 tuna can (401 x 205.5), 5.6 pounds
4-pound tuna can (603 x 408), 7.5 pounds

(b) Flakes, shredded, or grated

No. ½ tuna can (307 x 113), 3.00 pounds
No. 1 tuna can (401 x 205.5), 4.25 pounds
4-pound tuna can (603 x 408), 5.50 pounds

(14) The Director may issue specifications at any time relative to the packing of the canned fish, the containers, container treatment, can marking, labeling, boxing, and strapping in connection therewith, or he may authorize any governmental agency to issue such specifications. Each person subject to the provisions of this order shall comply with such specifications, issued by the Director or the governmental agency authorized by the Director to issue such specifications, applicable to the canned fish processed by such person.

(c) *Inspection and grading.* All canned fish subject to the provisions of this order shall be subject to inspection and grading at any time by the Director or any governmental agency authorized by the Director to make such inspection and grading.

(d) *Contracts.* The restrictions of this order shall be observed without regard to contracts heretofore or hereafter entered into, or any rights accrued or payments made thereunder. This order shall not, however, be construed as reducing the amount of canned fish of the 1945 pack which any person is required to offer or deliver pursuant to contracts heretofore or hereafter entered into with any governmental agency.

(e) *Records and reports.* (1) The Director shall be entitled to obtain such information from, and require such reports and the keeping of such records by, any person, as may be necessary or appropriate, in the Director's discretion, to the enforcement or administration of the provisions of this order, subject to the approval of the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

(2) Every person subject to this order shall, for at least two years (or for such period of time as the Director may designate), maintain an accurate record of his transactions in canned fish.

(f) *Audits and inspection.* The Director shall be entitled to make such audit or inspection of the books, records and other writings, premises or stocks of canned fish of any person, and to make such investigations, as may be necessary or appropriate, in the Director's discretion, to the enforcement or administration of the provisions of this order.

(g) *Applicability of order.* Any person doing business in one or more of the 48 States, the District of Columbia, or the Territory of Alaska, is subject to the provisions hereof, but the provisions hereof shall not apply to any person doing business in any other Territory or Possession of the United States with respect to such business.

(h) *Violations.* Any person who violates any provision of this order may, in accordance with the applicable procedure, be prohibited from receiving, making any deliveries of, or using canned fish. In addition, any person who willfully violates any provision of this order is guilty of a crime and may be prosecuted under any and all applicable laws. Further, civil action may be instituted to enforce any liability or duty created by, or to enjoin any violation of, any provision of this order.

(i) *Delegation of authority.* The administration of this order and the powers vested in the Secretary of Agriculture, insofar as such powers relate to the administration of this order, are hereby delegated to the Director. The Director is authorized to redelegate to any employee of the United States Department of Agriculture any or all of the authority vested in him by this order; and one such employee shall be designated by the Director to serve as order administrator, and such other employees as may be necessary shall be designated to serve as deputy order administrators.

(j) *Petition for relief from hardship.* Any person affected by this order who considers that compliance herewith would work an exceptional and unreasonable hardship on him may apply in writing for relief to the Director, setting forth in such petition all pertinent facts and the nature of the relief sought. The Director may thereupon take such action as he deems appropriate, which action shall be final.

(k) *Communications.* All reports required to be filed hereunder and all communications concerning this order shall, unless otherwise provided herein or in instructions issued by the Director, be addressed to the Director of Marketing Services, United States Department of Agriculture, Washington 25, D. C. Ref. WFO-44.

(l) *Effective date.* The provisions of this order shall become effective at 12:01 a.m., EWT, August 14, 1945. With respect to violations, rights accrued, liabilities incurred, or appeals take under War Food Order 44, as amended, prior to the effective time of the provisions hereof, the provisions of said War Food Order 44, as amended, in effect prior to the effective time hereof shall be deemed to continue in full force and effect for the purpose of sustaining any proper suit, action, or other proceeding with respect to any such violation, right, liability, or appeal.

NOTE: All record-keeping requirements of this order have been approved by, and subsequent reporting and record-keeping requirements will be subject to the approval of, Bureau of the Budget in accordance with the Federal Reports Act of 1942.

CANNED FOOD UNRATIONED

OPA Lifts Restriction Coincident With Capitulation of Japan

Price Administrator Chester Bowles announced August 15 that canned fruits and vegetables, gasoline, fuel oil, and oil stoves have been freed from rationing, effective immediately. Previously, OPA had announced that the printing of 187 million new ration books for food, shoes, and gasoline has been halted pending developments in current surrender negotiations with Japan. The books had been scheduled for distribution in December.

Meats, fats and oils, butter, sugar, shoes, men's rubber footwear and tires wil stay on the ration list until military cutbacks and increased production bring civilian supplies more nearly in balance with civilian demand, Mr. Bowles said.

"Right now it's impossible to tell when that time will be," Mr. Bowles said, "it certainly can't come too soon as far as we are concerned. These items will go off the list the minute we hear that supplies are anywhere near big enough to go around.

"The immediate removal of several major civilian commodities from rationing may mean some local shortages for a while. But the supply agencies assure us that the return to normal channels of distribution will take care of these trouble spots promptly.

"I have said again and again that we ought to get rid of wartime controls as soon as we can safely do so. We will remove the rest of the ration controls just as soon as the supply agencies have figures to show that we can. To do it too soon would certainly cause a lot of inconvenience and the hard feelings that would result from having neighbors competing for scarce unrationed goods."

Mr. Bowles announced that OPA's 5,500 local boards have been asked to remain on the job for the present.

Fish Canners Warned Not to Use DDT Without Experts' Aid

A warning to the fishing industry against attempts to use the new insecticide, DDT, in fish processing plants without first consulting experts in its use has been issued by the Fish and Wildlife Service. In spite of its apparent usefulness in improving sanitary conditions in such plants, DDT may have undesirable and even dangerous effects unless its use is controlled.

Preliminary experiments indicate that DDT is toxic to both human beings and animals if taken by mouth; hence the contamination of food with the insecticide might have serious consequences.

Other points relative to the efficient use and possible effects of DDT when applied in food plants are not yet thoroughly understood, according to J. M. Lemon, Chief Technologist of the Fish and Wildlife Service. Apart from possible dangers attending its use, the insecticide must be applied properly to obtain maximum effect and prevent waste of material. Under certain conditions, DDT may lose its insecticidal properties in a very short time, Mr. Lemon said.

The Technological Section of the Fish and Wildlife Service now has under way a study of the use of DDT in fish processing houses, and preliminary experiments indicate that the material may be very useful to the industry. Mr. Lemon said that as soon as the Service has acquired sufficient information to guide the safe and effective use of DDT in fishery establishments, the information will be made available to processors and the public.

Three Items Added to List of Designated Vegetable Prices

Three additions and one minor change have been made by the Office of Economic Stabilization in the designated prices for vegetables for canning and freezing, through the issuance of Directives 73 and 74, effective August 8. Cucumbers for pickles and fresh shelled beans are added to the list of vegetables for canning, and mushrooms to the list of vegetables for freezing.

The designated price of carrots grown in Pennsylvania for canning was reduced from $22 to $20 per ton to correct a previous error in publication. Designated prices for carrots grown for canning are now $22 per ton for New York and New Jersey and $20 per ton for all other States.

Designated prices for cucumbers grown for pickles are established at the 1941 costs plus 40 cents per bushel. These prices are on an individual processor basis and are at the same levels as those designated for 1944.

Prices for shelled beans (including soy beans) for canning are the same as the area average support prices established by the U. S. Department of Agriculture for snap beans.

A designated price of $1.50 per 3-pound basket is set for mushrooms for freezing.

For a complete list of designated prices and the area average support prices for snap beans, see INFORMATION LETTERS for March 31, page 8572, April 7, page 8588, and April 14, page 8591.

Court Holds that Parity Price May Not be Questioned by OPA

The determination of the parity prices of agricultural commodities by the War Food Administrator may not be questioned by the Price Administrator in fixing maximum prices of such commodities, according to a decision recently handed down by the U. S. Emergency Court of Appeals in a price action brought by the California Lima Bean Growers Association.

The Court overruled the contentions of the growers' association that the law contemplates the determination of parity prices for each separate agricultural commodity and that the parity price for dry edible beans, including dry standard lima beans, is not such a parity price because it is a composite price for two or more commodities.

The Court added that it cannot agree with the view that "this court has power to review the determination of the War Food Administrator as to what constitutes an agricultural commodity with respect to which parity prices are to be determined and published by him." On the contrary the decision continues, "we think that this determination is one which has been confided to the technically informed judgment of the War Food Administrator and that at least insofar as price control is concerned, his determination of it is final and conclusive."

Alaska Salmon Pack Report

The following table, prepared from statistics compiled by the U. S. Fish and Wildlife Service, shows the pack of Alaska canned salmon, by regions and varieties, through August 4, 1945, as compared with a similar period in 1944:

Districts	Aug. 4, 1945	Aug. 5, 1944
	Cases	*Cases*
Western Alaska	704,553	982,802
Central Alaska	1,633,853	1,502,183
Southeastern Alaska	448,165	636,372
Total	2,786,571	3,121,357
Species		
Red	1,110,522	1,478,443
Pink	1,072,525	910,382
Chum	491,189	626,561
Coho	75,576	72,543
King	36,759	33,428
Total	2,786,571	3,121,357

Vegetable Statistics Mailed

Mailing of the booklet, "Canned Food Pack Statistics: 1944, Part 1—Vegetables," has been completed. The booklet, which compares the 1944 canned vegetable pack with previous years, was prepared by the Association's Division of Statistics.

Suppression of Pea Psylla

Further progress has been made toward the suppression of the pea psylla in the Pacific Northwest, according to the 1944 report of the U. S. Bureau of Entomology and Plant Quarantine. The number of infested properties found has continued to decline, 140 being found in 1943 as compared with more than 1,200 in 1941. Only minor extensions of the infested area have been brought to light. In the spring and early summer of 1944 one light infestation was found in lower Yakima County and several in Benton County, Washington. Three infestations were also found in Umatilla County, Oregon, within a few miles of the Washington State line.

The sticky-board trap, mentioned in last year's report, is proving a valuable aid in determining the distribution of the pea psylla. The board is about 6 by 10 inches, and is covered on both sides with a sticky tree-banding material. Yellow boards have captured more psyllas than any other color tested. The trap boards have revealed light infestations not found by the most careful visual scouting. One hundred thousand are being placed at various points in the Northwest and elsewhere. Their use will give a much more complete picture of the infestation than has been possible thus far.

The spray program continues to reduce the psylla infestation. A special study of the effects of the program was made in Spokane County, where intensive spraying has been carried on since 1940. In 1943 spraying was discontinued in that county, except on properties that had been found infested in 1942 or 1943. Thorough scouting in the entire county resulted in the finding of only 70 infested properties, as compared with 889 in 1940 and 466 in 1941.

Corn and Pea Circulars

Two new circulars containing recommendations for growing sweet corn and peas for market and manufacture in Oregon have just been published by the Agricultural Experiment Station at Corvallis. These are entitled "Sweet Corn Growing for Market and Manufacture," Extension Circular 448, and "Growing Green Peas for Market and Manufacture," Extension Circular 451.

Controls on Arsenic Removed

Controls on the allocation of arsenic have been removed, the War Production Board reported this week. This action results from the revocation of Schedule 46 (Arensic) of Order M-300, the general chemicals allocation order.

WPB explained that there is an adequate supply of arsenic available in the Western Hemisphere, including domestic production as well as imports from Mexico, Canada and Peru, to meet the maximum anticipated domestic requirements. In addition, shipping lanes to Sweden have been opened, and Sweden is the world's largest producer of arsenic.

Because there have been no serious insect infestations in the cotton South, there are also large carry over stocks of finished arsenicals for agricultural purposes remaining from the production of the past two seasons, WPB added.

Cuban Grapefruit Crop Poor

Prospects for Cuba's 1945 grapefruit crop are poor and it is expected that the exportable surplus will amount to only 50,000 crates, according to the Department of Commerce. Commercial plantings of grapefruit on the Isle of Pines, where most of the grapefruit for export are produced, were in the direct path of the October 18, 1944, hurricane which totally destroyed about 2,000 trees and defoliated the remainder.

Prewar exports of grapefruit from Cuba amounted to about 150,000 crates annually. Curtailed shipping facilities, shortages of packing materials and ceiling prices in the United States caused export sales during the past three years to decrease to a little more than one-third of the prewar volume.

Restrictions on Carloading

Taylor's ICC Order 413, effective 12:01 a. m., EWT, August 20, and expiring October 15, prohibits the loading of canned or preserved foodstuff (not cold pack), bottled beer and other bottled malt liquors or bottled wine in Standard RS type refrigerators (not Giant type) except shipments loaded under the provisions of Service Order 104 or single carload shipments originating east of destination territories covered by Service Order No. 104 when destined to that territory.

French Crops are Poor

The 1945 agricultural outlook in France at the end of May was less favorable than a month earlier because of freezing weather in the early days of May, according to the Department of Commerce. Only about 66 per cent of the pre-war tonnage obtained from both foreign and domestic sources now appears to be in prospect from 1945 production in France.

Bean Seedling Baldhead Injury

Incomplete and abnormal emergence of beans under field conditions may be due to several causes including insect injury, damage from fungi, fertilizer injury, mechanical injury to the seed at time of threshing, and to excessively hard soils at planting time. Many seedlings emerge with cotyledons attached but with the terminal bud damaged. Such seedlings fail to develop terminal growth and are known as "baldheads" or "snakeheads." Although these seedlings may send out lateral branches there is considerable doubt as to their crop producing value.

A comparison was made at the Maine Agricultural Experiment Station of the yields of snap beans produced by normal and baldhead seedlings in two lots of Full Measure beans. Although the abnormal seedlings survived and produced fruit they were slow to develop and yielded less than 10 per cent of the weight of fruit produced by the normal seedlings, according to report of the Station for 1944.

PLANNING COMMITTEE

(Concluded from page 8733)

the appendices for all vegetables except snap beans and those fruits under Pricing Method 1. Mr. Carry also was expected to discuss plans for the products still to be covered in 1945 price measures.

How the close of the war will affect the pricing policy of OPA was to be the subject of remarks by Geoffrey Baker, Director of the Food Price Division, to be followed by a session at which the Committee can discuss with Mr. Meyer its views regarding the new administration of purchase, resale and subsidy matters.

Rationing of sugar and fats and oils for industrial users was specified as the first item on the Monday agenda, the discussion to be led by James Kelly, OPA Chief of Food Rationing and Ed Pickett, chief of the Sugar Rationing Unit. This was to be followed by a presentation of the tin supply situation by Dr. E. J. Cameron, Director of the Association's Research Division and Glenn Knaub, Administrator of Order M-81.

Discussion of the lifting of legislative controls was to be introduced by Chairman Walter L. Graefe of the N.C.A. Legislative Committee and H. Thomas Austern of Association Counsel was to deal with the impact on the canning industry of recent relaxations of war manpower, wage and other legislative controls.

SIMPLIFIED PROCEDURE PROVIDED IN NEW PRICING PLAN

Designed for "Low-priced" Sellers and Canners Who Make Application for Ceiling Increases

A simplified procedure to be used by canners who are "low-priced" sellers and who apply for individual increases in ceiling prices for canned fruits and vegetables, has been approved as a feature of the 1945 pricing program, the Office of Price Administration said August 15 in an advance announcement of the plan.

It is expected that similar provisions, greatly reducing the time and work necessary in preparing many of the applications for individual increases of ceiling prices, will later be applied to other foods, OPA said.

Canners will be provided with the necessary forms to be used in applying for individual ceiling increases as soon as they are available, together with detailed information about the new procedure.

Under the new method, ceiling prices for sales of canned fruits and vegetables to civilians can be increased up to the average of prevailing prices in the area. Ceiling prices for sales to government agencies can be increased up to the highest price prevailing in the area and in all cases at least up to individual's processing costs.

Under no circumstance, however, can an adjusted ceiling price cover more than:

1. Processing costs, if operating profit is six per cent of sales or higher.

2. Total costs if operating profit is at least three per cent but less than six per cent of sales.

3. Total costs plus a profit of three per cent if operating profit is less than three per cent of sales.

Several important changes are made by the new procedure for granting individual increases of ceiling prices. Among them are the following:

1. The present provision applies only to some canned fruits and vegetables. Under the new procedure, applications for price adjustment may be made for all canned fruits, berries, and vegetables covered by the new supplement for the 1945 pack, whether designed for sale to government procurement agencies or for civilian trade channels.

2. The new proposal also simplifies the form of application. The present provision for adjustment of government ceilings requires that cost data be filed for the items for which relief is sought, together with balance sheets and profit and loss statements for the years 1936 to date. The new simplified form requires profit and loss statements for the latest fiscal year only and costs for the current and previous pack years. In providing current operating costs the data must be based on at least three-fourths of the current pack.

3. At present, individual increases for sales to the Government may cover the total cost of raw products even though the cost exceeds the price recommended by the Department of Agriculture. Under the new program, increases for sales both to government agencies and to civilians can reflect no more than prices recommended for the raw materials.

With respect to applications for individual adjustments covering sales to civilians, the procedure will be substantially the same as before except that the new application provides for supporting schedules and complete explanations of cost distribution.

CANNED FOODS CARRYOVER

Lowest Supply in Years Forecast by Department of Commerce

Civilian supplies of all commercially canned fruit and vegetable products combined during the 1945-46 marketing season will be about 11 per cent less than during the preceding season and 8 per cent below the 1936-41 prewar annual average if current pack forecasts and estimates of Government and export requirements are realized, according to the Department of Commerce. (This statement was made by Commerce prior to the termination of the war, and takes no account of the possibility of the return to civilian markets of military stocks of canned foods.

Estimated civilian shipments by packers and wholesale distributors, including chain store warehouses, will fall to about 252 million cases compared with 271-284 million cases in each of the preceding two years. At that level civilian shipments will be one-quarter below the record 1941-42 shipments of 336 million cases. Current civilian demand would probably exceed any previous record if supplies were available.

Carry over stocks in the hands of packers and distributors at the end of the 1944-45 marketing season will reach the lowest point in any recent year, estimated at 35½ million cases, mostly in the hands of distributors. These carry over civilian stocks will represent about one-third of the amount held in commercial channels for civilians, on the average, during the 5-year period before the United States entered the war. The low level of these stocks will not permit additional "borrowing" of any significant quantities during the coming 1945-46 marketing season.

The amount of civilian supplies estimated for the 1945-46 season is not due to production shrinkage. On the contrary, production during the 1945-46 season is expected to reach an all-time record high of nearly 400 million cases, according to current estimates of the Interdepartmental Supply Estimates Committee. Packs totaling this amount would be one per cent higher than those estimated for the current 1944-45 season, now drawing to a close, and 40 per cent above the average prewar annual packs between 1936 and 1941.

This is the first of a series of periodic reports on canned fruit and vegetable production and wholesale distribution prepared by the Foodstuffs Unit of the Bureau of Foreign and Domestic Commerce in cooperation with the Office of Price Administration and the Bureau of the Census.

In addition to outlining the 1945-46 outlook and current position of canned fruit and vegetable products as a whole the report deals separately with canned fruits, canned fruit and vegetable juices, canned seasonal vegetables, canned nonseasonal vegetables, specialties and soups and baby foods. A detailed statistical appendix is attached.

Copies may be obtained on request from the Department of Commerce, Washington 25, D. C., or any of its field offices.

ROUNTREE RESIGNS OPA

Returns to Private Business; Successor Not Yet Appointed

George V. Rountree of Chicago, who has headed the Processed Fruits and Vegetables Section of the Office of Price Administration's Food Price Division for the past seven months, left the agency August 15 to return to private industry, it has been announced by Geoffrey Baker, director of that division.

"Because of Mr. Rountree's broad professional experiences and personal contacts with food processors over a period of years, he has made material contributions to the success of food price control," declared Mr. Baker. "The 1945 regulation governing canned fruits and vegetables has been prepared under Mr. Rountree's supervision. He has been instrumental in simplifying the procedure for individual adjustment of food processors' ceiling prices. The principles of this procedure will be adopted by the entire Food Price Division."

An infantry lieutenant in the last war, Colonel Rountree was called to active duty in the Army in May, 1941. He served as chief of the Fiscal Division, Chicago Ordnance District, where he was assigned for more than 2½ years before coming to Washington, D. C. He was fiscal officer of the Read-

justment Division, Army Service Forces for a year.

Because his firm of certified public accountants, George V. Rountree and Co., was known to have wide experience in handling accounts for food processors, OPA requested Colonel Rountree's services after his release from the Army early this year. His successor has not yet been determined, Mr. Baker said.

CROP PRODUCTION CHANGE

USDA Economists Forecast Need for Sharp Adjustments to Achieve Proper Peacetime Volume

Sharp adjustments in American crop production will be required during the next five seasons in order to get American agriculture fully converted to prosperous peacetime basis, economists in the Department of Agriculture declare.

In a special report, "Farming Adjustments After the War—Possibilities Under Prosperity Conditions," prepared for Secretary of Agriculture Clinton P. Anderson, the Department's economic staff has attempted to estimate on the basis of "benchmarks" the over-all national adjustments which agriculture will be required to make in order to bring peacetime production into line with effective demand.

In the face of evidence of production potential, the report estimates that farm production in 1950, assuming complete conversion by that date, will be at least one-third larger than the 1935-39 average.

Three factors enter into the anticipated 33 per cent increase in yields. The most important is fertilizer. It is expected that farmers would, under prosperous conditions, buy nearly four times as much fertilizer as they did during 1935-39. "Benchmark" consumption of fertilizer in 1950 (assuming full employment) is estimated at 5,376,000 tons, compared with 1,389,000 tons average in 1935-39, and the 2.5 million tons consumed last year.

More than one billion tons of nitrogen would be used, experts predict, a 322 per cent increase over prewar, while 2,763,000 tons of phosphoric acid, would be used, an increase of 394 per cent, and 1,534,000 tons of potash might be consumed, an increment of 436 per cent.

A second factor in increased yields is the introduction of improved seeds. The development of hybrid corn alone has been responsible for a 20 per cent increase in corn yield, the report points out, while the new Lincoln soybean is expected to produce a similar improvement in that crop. Finally, increased mechanization is stimulating crop production. The ability of farmers to quickly seed or cultivate their fields helps them to overcome delays due to weather, and in other respects increases production.

The USDA economists conclude that policies concerned with the improvement of agriculture in the interest of national welfare should center on providing a wide market outlet for farm products, and on assistance to those who are temporarily disadvantaged by production changes. Only in this fashion, the report states, can agriculture successfully leap the hurdle of the postwar adjustments which must be made in production.

In breaking down the recommendations for postwar agricultural adjustment into estimates for specific crops, the Department consulted with State committees on production in all of the principal farming States. From studies prepared by these committees for their own States, the Department's economists have been able to calculate approximately what production of a given crop can be expected at a given price. Text of that portion of the report which is devoted to truck crops for commercial processing is as follows:

In contrast to crops for the fresh market, truck crops for commercial processing have expanded greatly during the war, with an increase of more than 40 per cent recorded since 1941. Since yields are increasing rapidly, a slight reduction in acreage is indicated for 1950. Somewhat more than 2 million acres for processing is indicated, compared with about 2.1 million acres at present. From this acreage, however, a yield of more than 7 million tons is predicted, compared with 5 million tons in 1943 and 4 million tons before the war.

In terms of specific truck crops, the percentage increase which the postwar "benchmark" hypothesized by the economists represents over the 1937-41 actual average is as follows: (for fresh market) Snap beans, 17 per cent; cabbage, 11 per cent; cantaloups, 11 per cent; carrots, 19 per cent; lettuce, 20 per cent; onions, 7 per cent; tomatoes, 15 per cent; and watermelons, 57 per cent; (for processing) snap beans, 19 per cent; peas, 17 per cent; corn, 17 per cent; and tomatoes, 34 per cent. These estimates are subject to the reservation that production committees in only about half the States were asked to prepare detailed estimates of truck crop prospects in their areas.

Congress to Reconvene Sept. 5

Congress will reconvene September 5 instead of October 8, which was the date specified in the resolution which recessed both the House and Senate at the time of adjournment last month.

RECONVERSION PROGRAM

Director Snyder's Report to President Cites Production as Goal of Peacetime Economy

The reconversion program of the Government was the subject of a special report made August 15 by John W. Snyder, Director of War Mobilization and Reconversion, to President Truman, and entitled "From War to Peace —a Challenge."

Mr. Snyder's report states that the job ahead is one redirecting from war to peace the four resources from which the wealth of our economy springs: Our manpower, our raw materials, our plant and equipment, and our managerial know-how. "Now that peace has come," he stated, "the goal of our economy is in a sense the same as it was in war: *Production.*"

"Only a peacetime production, vastly expanded over anything this or any other nation has ever seen, will make possible the attainment of the four major economic objectives which face us in the months ahead. These objectives I conceive to be: (1) Jobs for all those willing and able to work, (2) A steadily rising standard of living, (3) Stabilization of our economy to avoid disastrous inflation or deflation, (4) Increased opportunities for farmers and businessmen.

The report gives the following six subjects as highlights of the reconversion program:

I. Military Contracts

All military contracts are being terminated immediately, except those required for experimental and development purposes and for the maintenance and supply of the armed forces. The War Department is taking immediate action to cut its procurement of aircraft, artillery, ammunition, and other weapons by 94 to 100 per cent. The largest continuing item in Army procurement will be in food and this will be cut as fast as demobilization will permit. Navy reductions will be smaller and more gradual.

II. Demobilization

Demobilization from the armed services will return at least 7,000,000 servicemen to civilian life within the next year. At present, the Army is demobilizing at the rate of 170,000 per month. Within several months, the rate is expected to reach 500,000. The Army will demobilize on the same basis as formerly, releasing first those men with longest combat service and greatest number of dependents. The Navy plans to demobilize some of its personnel almost immediately. Both the Army and the Navy will continue to draft on a reduced basis, some men to replace those of longer service. The Congress will decide on peacetime

draft policies when the "cessation of hostilities" is declared.

III. Unemployment and Manpower

All controls over manpower are to be removed and the compulsory 48-hour week ended at once. The United States Employment Service will devote its best efforts to finding jobs for displaced workers and veterans and assisting claimants for unemployment compensation.

Unemployment currently is estimated at 1,100,000 persons. This represents the total without jobs on a given day, many of them being persons "between jobs." This total of unemployment is expected to rise to 5,000,000 or more within three months; perhaps to 8,000,000 before next spring, as those released from war jobs are joined by large numbers of men discharged from the armed services. Many of the unemployed will find new jobs within a few weeks—others will face extended periods without jobs.

IV. Production and Distribution Controls

Many production and distribution controls will be removed at once. Only those will remain in force which are essential for expediting production, breaking bottlenecks, preventing inventory hoarding, and assuring economic stabilization. Rationing of certain scarce commodities must continue for a while. Restrictions on others will be lifted immediately. Transportation regulations must continue temporarily. How long controls are continued depends on how much and how quickly business can expand its output.

V. Price and Wage Controls

For some period of time the dangers of inflation will be with us.

There will be more demand for many kinds of goods and services than business can supply. As long as some materials and products remain seriously short, price ceilings on those materials and products must be maintained as a barrier against inflation. Rent controls also must continue. While price and rent ceilings remain in force, wage stabilization must be continued. Wherever price ceilings will not be endangered, collective bargaining will be restored. Wage and price increases will be allowed to correct substandard pay scales, to relieve hardships of individual workers and enterprises and, where necessary, to stimulate increased production.

VI. Legislative Program

In order to speed reconversion and to mitigate the extremes of hardship during the transition period, a number of legislative enactments are needed. These include: Increased unemployment compensation benefits; revision of the Fair Labor Standards Act to increase minimum wages; tax program to stimulate production and to maintain markets; appropriations for the planning and execution of public works; adequate appropriations for the United States Employment Service and retention of this service under Federal control during the interim of transition.

TERMINATION PROCEDURE FOR FEDERAL CONTROLS

Summary of Principal Wartime Orders With Removal Provisions

The ending of the Japanese war will hasten the termination of various government controls. The legislation authorizing these controls in some cases fixes a definite expiration date. In other cases the legislation fixes a date but provides for earlier termination through Presidential proclamation, action by Congress, or action by administrative agencies.

The Office of Price Administration has lifted the rationing of canned fruits and vegetables, gasoline, and fuel oil; the War Manpower Commission has ended the job controls it has exercised. Other changes may be expected to follow as rapidly as the situation warrants.

President Truman issued a statement on Thursday that wage adjustments which might affect prices must continue subject to stabilization controls until termination of the Stabilization Act on June 30, 1946, but that he has authorized the War Labor Board to release proposed voluntary wage increases from the necessity of approval upon condition that they will not be used in whole or in part as a basis for seeking an increase in price ceilings. Proposed wage increases requiring price relief must continue to be passed upon by the Board.

The President also stated that the War Labor Board should be terminated as soon as possible after the conclusion of an industry-labor conference which he will call in September to discuss labor disputes and price problems.

Following is a summary of the principal war controls and the provisions for their termination.

Draft.—Selective Service, under present authorization, can continue until May 15, 1946, the drafting of men reaching 18 years of age. Period of service under the law may expire six months after the termination of the war. Either the draft or the period of service can be lifted earlier.

Prices.—Control is exercised under the Economic Stabilization Act, which expires June 30, 1946, or on a date set by a proclamation by the President or by a concurrent resolution of Congress. Price controls can be lifted, prior to the expiration of the Act, by the administrative agencies (usually the OPA).

Wages.—Controls on wages and salaries are also exercised under authority of the Economic Stabilization Act, expiring June 30, 1946, by the Treasury and War Labor Board. The agencies can lift the controls before the expiration date of the Act.

Rationing.—Control is exercised under the Second War Powers Act, which expires on December 31, 1945, or earlier if Congress by concurrent resolution, or if the President, may designate. Rationing of any commodity can be lifted before that date by the administrative agencies.

Allocation of Materials.—This is also exercised under authority of the Second War Powers Act expiring December 31, 1945.

Manpower.—Controls have been exercised chiefly through the War Manpower Commission, which has no statutory powers, and which has operated under executive orders based upon authority derived from the First War Powers Act and the Economic Stabilization Act. The First War Powers Act expires six months after the war, or earlier if the President or Congress so designates. The War Manpower Commission has already lifted practically all its controls.

Strikes.—The War Labor Board operates under three authorizations. It was created by Executive Order based on the authority given the President by the Constitution and by the state of emergency, and also derives powers from the Stabilization Act and the War Labor Disputes Act. The latter expires six months after the termination of the war, or earlier, if Congress so designates.

Farm Prices.—Parity prices are based upon an Act passed October 2, 1942. Support prices for non-basic agricultural commodities are to be maintained for two years "beginning with the first day of January immediately following the date upon which the President by proclamation or the Congress by concurrent resolution declares that the hostilities in the present war have terminated."

Renegotiation.—Congress on June 30 extended the termination date of the Renegotiation Act to December 31, 1945. The Act can be terminated on an earlier date by proclamation of the President or by concurrent resolution of Congress. Congress also amended Section 802 (b) of the Revenue Act of 1943 relating to repricing of war contracts so as to fix similar dates.